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ERS NEWSLETTER

A Bimonthly Newsletter for Economic Research Service Employees and Colleagues

U.S. DEPARTMENT OF AGRICULTURE
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Gardner Named Assistant Secretary

Bruce Gardner is the new USDA assistant secretary for economics. He will be responsible for six USDA agencies: ERS, Economic Analysis Staff, Economics Management Staff, National Agricultural Statistics Service, Office of Energy, and World Agricultural Outlook Board.

Since 1981, Gardner has been a professor in the Dept. of Agricultural and Resource Economics at the University of Maryland (College Park). In 1980/81, he was a visiting fellow at the Center for the Study of the Economy and the State at the University of Chicago. During 1977-80, he was a professor of agricultural economics at Texas A&M University.

Gardner had served as a senior staff economist to the President's Council of Economic Advisers during 1975-77. He was a professor at North Carolina State University during 1968-75.

Gardner has a BS from the University of Illinois and a PhD from the University of Chicago. He



has served as associate editor of the *American Journal of Agricultural Economics*, a director of the American Agricultural Economics Association (AAEA), chairman of the AAEA Economics Statistics Committee and the AAEA/USDA Task Force on Measuring Agricultural Productivity, and the AAEA representative to the U.S. Census Advisory Committee on the Agricultural Census, Council of Professional Associations, and the National Bureau of Economic Research. Gardner was recently selected to be an AAEA fellow, the AAEA's highest honor.

Commodity Background Papers Published

In preparation for the debate on new farm legislation, ERS is publishing a series of commodity background papers. ERS economists have recently completed four of these reports—the corn, oats, cotton, and honey studies.

Corn is the leading U.S. crop, both in volume and in value, according to ERS economist Stephanie Mercier (786-1840). In 1987, farmers planted about 65 million acres and harvested over 7 billion bushels. The farm value of

production totaled about \$13 billion, roughly 36 percent of farm receipts from all crops. Rising corn yields and market prices strengthened corn farmers' cash flow positions in the late 1970's. However, per-bushel real returns above cash expenses declined in recent years. Lower loan rates, the issuance and exchange of generic certificates, and devaluation of the U.S. dollar relative to the mid-1980's all contributed to the growth of U.S. corn exports in recent years.

ERS economists Linwood Hoffman and Mark Ash (786-1840) report that oats acreage has been trending downward since the

1950's. Domestic output has not met domestic needs, thereby spurring imports. Production has declined due, in part, to Government programs. Oats have rapidly become a specialty feed, mostly for horses. Human consumption of oats, once a stable component of consumption, has begun to grow. Exports have declined to low levels.

ERS economists Harold Stults, Edward Glade, Scott Sanford, and Leslie Meyer (786-1840) report that Government cotton programs since the 1930's have supported prices and attempted to adjust acreage and production to meet market needs, with varying degrees of success. The Food Security Act of 1985 has been generally successful in dealing with the cotton sector, despite several problems. The marketing loan provisions of the Act helped make U.S. cotton exports competitive in 1987, and U.S. cotton regained some of its world market share. However, in 1988/89, problems with the adjusted world price formula and with storage terms encouraged cotton owners to hold stocks rather than release them to the market, even though U.S. stocks were high.

According to the background report on honey by ERS economist Frederic Hoff (786-1883) and Jane Phillips (ASCS), the Government has supported the price of honey since 1950 to encourage producers to maintain sufficient honeybee populations to pollinate important agricultural crops. When honey

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support prices moved above the average domestic price in the early 1980's, domestic producers found that forfeiting their honey to the Government was profitable and packers and food manufacturers imported lower priced honey for domestic use. However, changes via the Food Security Act of 1985 have reduced forfeitures and made domestic honey competitive with imports.

For a brief description of the soybean report in this series [see *ERS Newsletter*, Vol. 7, No. 5, October/November 1989, p. 1].

AFPR Discusses Issues Facing Policymakers

Researchers from ERS and elsewhere have contributed to the sixth edition of *Agricultural-*

Food Policy Review: U.S. Agricultural Policies in a Changing World. Better known as *AFPR*, this book provides much of the background information that legislators and other policymakers will use in debating agricultural legislation to replace the Food Security Act of 1985.

The *AFPR* covers U.S. agricultural policy in the 1980's, an assessment of current policies and programs, and emerging issues. Topics include links between U.S. agriculture and the rest of the U.S. economy and between U.S. agriculture and global agriculture throughout the world, domestic and foreign food assistance programs, environmental issues, rural development issues, programs put into place by the 1985 Act, and scientific advances that have kept food safety and biotechnology in the news.

Current Research

Barley Malt Study Completed

As part of an ongoing program to assess U.S. export enhancement programs, ERS economists Karen Ackerman, Peter Riley, and Mark Smith (786-1820) have analyzed the Export Enhancement Program for barley malt in response to a request from U.S. Senator James McClure of Idaho. An export enhancement program will probably increase sales of a commodity if importers' total demand is responsive to changes in exporters' prices, importers easily substitute among suppliers, the United States holds a small share of the world market, surpluses exist on world markets, competitors do not retaliate, and importers' expectations of being targeted under the program do not change.

Ackerman, Riley, and Smith found that barley malt fits some, but not all of these conditions, and some conditions could not be addressed for lack of reliable data. Some importers commonly switch,

indicating that a price subsidy program could boost U.S. exports. Because the United States holds only about 3 percent of the world market, the potential for expanded exports is great. However, U.S. malt exports began to trend upward in 1982, 4 years before the Export Enhancement Program began. If world supplies are tighter, as indicated by lower malting in the European Community, many importers may be willing to purchase malt without or with smaller subsidies in 1989/90. Apparently, the Export Enhancement Program has not had an undesirable effect on sales to nontargeted importers. Little evidence exists that nontargeted importers have refrained from purchasing U.S. malt in expectation of being targeted.

Changing Climate May Affect U.S. and World Agriculture

During recent months, ERS researchers have been focusing on the effects of global climate change on agricultural production in the United States and on world agricultural prices and trade patterns. This work, coordinated

by John Reilly (786-1450), has provided key inputs to the U.S. contribution to the international Intergovernmental Panel on Climate Change.

Many experts on climate change are predicting that agriculture in middle latitudes, including the United States and Europe, may have a warmer and dryer climate, while agricultural areas in Canada, the U.S.S.R., China, and Australia may see longer growing seasons and, in some cases, greater precipitation. ERS researchers conclude that such changes would shift comparative advantage in agricultural trade away from the United States and Europe. Net global effects on the world food supply will probably be small, since reduced production potential in some areas is balanced by gains in others. These conclusions run counter to the concern that climate change could pose a major problem for world food availability.

ERS economists also worked with the National Climate Program Office to organize a workshop on the effects of climate change on agriculture, forestry, water resources, and coastal infrastructure. ERS is also contributing to USDA's Global Change Research Plan by taking the lead in developing plans for research on human interactions and response strategies.

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Administrator's Letter—Reflections on the Eighties: Looking to the Nineties

The holiday season is a time for reflecting on the year gone by and anticipating what the new year will bring. The end of 1989 draws the curtain on what turned out to be a challenging and eventful decade, dramatically different from what many expected at the end of the 1970's. A global recession in the early 1980's brought a collapse of farm export markets and plunged U.S. farmers and many developing countries into financial crises. New policies and huge Federal budget deficits brought a decline in the role of the Federal Government and caused reductions in USDA and ERS staff. In the latter years of the decade, the financial health of U.S. agriculture improved, and exports increased from the low point in 1986. But the debt burdens of developing countries are still heavy, the U.S. budget deficit remains a gnawing problem, and agriculture faces a host of new challenges from foreign competition, water quality and environmental problems, food safety concerns, and technological developments that foster both hopes and fears.



One constant throughout the decade has been the response of the people of ERS to the changing needs of the times. We developed new data bases and conducted studies that provided insight on the farm crisis, foreign debt crisis, rise and fall of the exchange value of the dollar, and turnaround in the fortunes of rural America. These insights, coming from hard data and credible analyses, proved invaluable to policymakers, farmers, and all who had a stake in the fortunes of agriculture. The demand for staff analyses and special studies grew to unprecedented levels. We responded with a new system for handling staff work, greater automation, and a new attitude toward the opportunity for relevance that staff work provides. We strengthened our monitoring of the health of agriculture, strengthened our commodity analysis capacity, and refocused our efforts in international trade and policy, resources and technology, and rural development. We even phased out our field locations to retain critical masses of resources on important issues in the face of declining real budgets.

While coping with these new demands, we developed a new publication delivery system, developed new data policies and management systems, initiated new periodicals, outlook reports, and research series, experimented with new writing styles and new media for reporting data and analyses, and did the background research for two farm bills and a GATT round of trade negotiations. We also moved ERS from 500 12th Street SW. to 1301 New York Avenue NW.

The work of the people of ERS has not gone unnoticed. Hundreds of letters and phone calls relate appreciation for knowledgeable statistical assistants who went out of their way to help callers, responsive secretaries who directed those needing help to the right ERS experts, and honest and objective researchers who produced useful reports and innovative and timely market information. At the AAEA annual meeting in Baton Rouge, former USDA Director of Agricultural Economics Don Paarlberg commented that ERS was confronting the issues of the day more effectively and responsibly than ever before. Similar sentiments have been expressed by D. Gale Johnson, Vernon Ruttan, and others. The work and staff of ERS are known and respected literally throughout the world. You who have been a part of ERS in the 1980's have a right to be pleased with what you have accomplished.

When I pause to reflect on all for which I am grateful, the people of ERS and their spirit of serving the common good come high on my list. For all your accomplishments during the decade of the 1980's, I salute you and look forward to sharing with you the exciting challenges of the 1990's.

May the new year bring peace and fulfillment to you and your loved ones.


John Lee

Rural Poverty: A Continuing Problem

ERS's ongoing monitoring of the well-being of rural people and, in particular, its research on rural poverty have yielded results that indicate poverty is as much a rural problem as an urban one. ERS researchers Donald Bellamy (786-1538) and Robert Hoppe have found that poverty rates for various population groups in rural areas are generally within a percentage point or so of the corresponding central-city rates. The exception is the poverty rate for blacks, which is higher in rural areas than in central cities. Also, present antipoverty programs, which are aimed at serving the urban poor, do not serve the rural poor as well as programs designed to serve specific rural needs would.

The poor in rural and urban areas have different characteristics. For example, the rural poor are more likely to live in married-couple families than either the central-city or suburban poor. Issues such as minimum wage, taxes, availability of jobs, job training, unemployment, and strength of the economy are as important in any discussion of rural poverty as they are in addressing urban poverty. Labor market strategies, however, are not effective in reaching the rural poor who cannot work, such as the elderly. Income transfers seem to be the most effective way to help these people.

ERS analysts Peggy Ross (786-1537) and Elizabeth Dagata, using data from a University of Michigan panel study of income dynamics, found more poverty among nonmetro than metro residents, and little difference in the amounts of persistent (long-term) and temporary (short-term) poverty by residence. The elderly, children, and members of families headed by women were prone to persistent poverty, while working-age poor and members of families headed by men were more likely to be in poverty temporarily. Thus, proposals to alleviate poverty must take these differences into consideration. Strategies to improve employability and keep the employment rate up will help many of the temporarily poor and

working-age, nondisabled persistent poor to escape poverty. Ross and Dagata's study also suggests that on-going cash assistance and access to social services provide the greatest benefits to poor who are not expected to work, many of whom are the persistent poor.

Water Policies Affect Use Decisions

The ERS research program on water considers a broad variety of factors that affect the availability, use, cost, competing demands for, and quality of water resources needed to meet agricultural production needs nationwide, but with a special focus on needs in the arid Western United States. In many regions of the West, ground water reserves and surface water resources combine to satisfy agricultural and other water needs. Timing in the development of new surface water resources to supplement declining ground water reserves has been a central concern of policymakers and economists who study western water resources. Cost concerns suggest that new surface water imports into a region should not begin until ground water pumping costs have increased to equal the cost of importing water.

ERS economists C.S. Kim and Michael Moore (786-1410) have studied the role played by water resource policies in the timing of surface water imports into a region and the rate of ground water depletion. Federal policy implemented by the Bureau of Reclamation frequently sets the price of imported surface water in the West, interstate water compacts determine the allocation of surface water among the States, and individual State laws and policies regulate ground water use. Kim and Moore developed a model that incorporates these public policies and laws into a dynamic economic analysis of surface and ground water use. One finding in their recently released report, *Public Policies in Water-Resource Use: Their Effect on Groundwater Mining and Surface-Water Imports* (TB-1764), is that water project construction to transport imported

surface water will be delayed as the price charged for the imported water rises. Thus, this finding establishes a clear relationship between Federal policy on surface water pricing and local decisions on ground water use.

Marketing Mergers Reach Record Levels

ERS is monitoring and analyzing changes in the size, structure, conduct, and performance of the country's massive food marketing system. The research examines developments in food manufacturing, wholesaling, retailing, and foodservice on an annual basis.

ERS economists Anthony Gallo, Walter Epps, Philip Kaufman, Charles Handy, and Harold Linstrom (786-1866), found that the value of mergers in the U.S. food marketing system in 1988 reached the highest level in U.S. history. The four largest mergers announced or completed were valued at \$47 billion, compared with the previous high of \$26 billion in 1985 for all recorded transactions.

Sales by the U.S. food marketing system reached \$638 billion in 1988. Advertising expenditures rose to an estimated \$12 billion. About 10,600 new grocery products were introduced. The Nation's food processors spent \$9 billion on new plant and equipment, including 369 new plant projects. The balance of trade deficit in the U.S. processed food sector declined from \$6 billion to \$3 billion, helped by the lower value of the dollar.

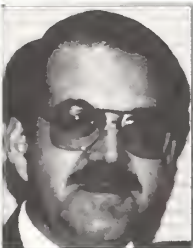
U.S. food marketing firms invested \$16 billion in foreign operations in 1987, including \$13 billion in food processing, \$1 billion in food wholesaling, and \$2 billion in retailing and foodservice. A composite of U.S. processing companies showed that 20 percent of all sales are by their foreign subsidiaries. U.S. food franchise firms had 7,000 establishments abroad. Foreign firms invested \$23 billion in the U.S. food marketing system, including \$16 billion in processing, \$3 billion in wholesaling, and \$4 billion in retailing and foodservice.

Personnel Notes

Reid Is New ARED Deputy Director

Norman Reid has been named deputy director for rural development of ERS's Agriculture and Rural Economy Division. He will be responsible for providing overall direction to ERS's research on rural economic and social trends and their public policy implications.

Reid joined ERS in 1976. During his time with ERS, he has served as leader of the State and Local Government Section and, most recently, as chief of the Rural Business and Government Branch. Prior to joining ERS, he was assistant director, Illinois Commission on Intergovernmental Cooperation.



Carolyn Riley

Reid has authored over 60 publications on rural economic and social trends, rural development policy, enterprise development, public infrastructure, Federal aid programs, and local government finances and service delivery. He recently served on USDA's Rural Revitalization Task Force and was an author of the task force's final report, *A Hard Look at USDA's Rural Development Programs*. Reid has a PhD in political science from the University of Illinois (Urbana-Champaign). He has taught political science at several colleges and universities. Reid has received four ERS Administrator's Special Merit Awards and four USDA Certificates of Merit.

Kennedy is New ATAD Section Leader

Richard Kennedy is the new leader, Policy Information Section, U.S. Agricultural Policy Branch, Agriculture and Trade Analysis Division.

Since 1987, Kennedy has been a senior economist in ERS's

Policy Branch. During 1979-87, Kennedy was leader, Policy Intelligence Section, International Economics Division. During 1974-79, he was assistant to the director, Foreign Regional

Analysis Division, where he coordinated the *World Agricultural Situation and Outlook* report. He was an agricultural economist in the Foreign Demand and Trade Branch during 1972-74. During 1970-72, Kennedy served as a USDA/ERS liaison to the 1890 land-grant institutions, at Virginia State College (now Virginia State University). Kennedy joined ERS in 1966 and served as a country analyst in the Western Hemisphere Branch until 1970. Prior to joining ERS, Kennedy was an international economist at the U.S. Department of Commerce.

Kennedy has a BA in political science from Western Reserve University and did graduate study in economics and history at the University of Maryland and Michigan State University. For the past 13 years, Kennedy has authored the article on "Agriculture and Food Supplies" for the *Encyclopedia Britannica*.



Carolyn Riley

Liberalization of Tropical Products Trade

ERS's research on the effects of trade liberalization has focused on agricultural commodities exported by the United States. But tropical products are also important to the United States as imports. ERS has, therefore, begun to extend its temperate product models to tropical products and to use its expertise on developing nations to address questions about the effects of trade liberalization on their exports.

The export value of tropical products that do not compete with temperate agriculture is greater than that of global grain trade. More than 1.5 billion people live in the countries that depend on tropical product exports. Tropical products account for 30 percent of the food and fiber exports of developing countries, but even these statistics understate their importance to certain countries. More than 20 countries depend on

tropical products for over half their export earnings.

ERS researchers Carl Mabbs-Zeno and Barry Krissoff (786-1680) have found that trade barriers by importers of tropical beverages (constituting 70 percent of tropical products trade) are too small to have much effect on trade. This finding implies that the midterm agreement on the General Agreement on Tariffs and Trade will also have little economic impact. Government policies in exporting nations, however, significantly enhance export earnings, weakening incentives for those governments to liberalize. Effects of trade liberalization on government revenue, income distribution, producer welfare, and consumer welfare are also under investigation. Although developing countries don't all share the same economic interests in policy reform, Mabbs-Zeno and Krissoff identified blocs of countries that might act together in trade negotiations and the positions they might take.

ERS Hosts Michigan State University's Ferris

John Ferris, professor of agricultural economics at Michigan State University, is in ERS during Oct. 1989-June 1990. During his stay in ERS, he will be expanding and refining the AGMOD econometric model of U.S. and world agriculture, with special emphasis on incorporating stochastic crop yield projections. Ferris will also analyze alternatives for the 1990 farm bill and the impact of "Europe 1992." Ferris joined Michigan State University in 1957 and has



Carolyn Riley

specialized in marketing, price analysis, commodity outlook, and research issues. His responsibilities have covered extension, research, and teaching at the graduate and undergraduate levels. He worked for USDA in Europe, studying the impacts of the EC expansion during 1969/70. He also worked with USAID in South Korea in 1972 and with the President's Cost of Living Council in 1973.

Ferris has a BS from Purdue University, an MS from Cornell University, and a PhD from Michigan State University. He has authored numerous articles and other publications, including a chapter in *Marketing U.S. Agriculture: 1988 Yearbook of Agriculture*.

Cornell University's Lee in ERS

David Lee, associate professor of agricultural economics and international agriculture, Cornell University, is working in ERS during Sept. 1989–June 1990.

During his stay in ERS, Lee will also be

working with the chief economist's office, U.S. Agency for International Development. He will be involved with research on agricultural sector and macroeconomic policy reforms in developing countries, examining production, trade, and political economy issues associated with unilateral reforms, and their implications for U.S. agriculture.



Carolyn Riley

Lee has a BA from Amherst College and an MA and a PhD in agricultural economics from the University of Wisconsin (Madison). He has been on the faculty at Cornell University since 1982. Lee has published widely in the areas of agricultural and trade policy, price analysis, and agricultural development.

Auburn's Rob Martin Back with ERS

Rob Martin, professor of farm management, Auburn University, is working in ERS during September–December 1989. Martin is working on a combination programming-econometric model of the



Carolyn Riley

U.S. livestock and meat industry in cooperation with the S-227 Southern Regional Livestock Marketing Project.

Martin worked for ERS's Farm Production Economics Division in the late 1960's and early 1970's at field stations at the University of Illinois and the University of Georgia. He joined the Auburn faculty in 1977, where he now teaches and does research in the area of farm management. Martin also served as head, Extension Agricultural Economics, Auburn University, from 1984 to 1987.

Martin has a BS and an MS from Auburn University, and a PhD from the University of Illinois. In addition to publishing many articles and bulletins in the areas of farm management, livestock production, and linear programming, he has

served as editor of the *Southern Journal of Agricultural Economics*.

Primont Is Visiting Scholar in ERS

Daniel Primont, professor of economics at Southern Illinois



Carolyn Riley

University, is a visiting scholar in ERS's Resources and Technology Division during Aug. 1989–May 1990. While in ERS, he will be working with

researchers on water quality and the effects of pesticide regulations on agriculture.

Primont has a BA and PhD in economics from the University of California (Santa Barbara) and subsequently served on the faculties at Temple University and the University of Massachusetts. He joined the faculty of Southern Illinois University in 1978. His career has included visiting professorships at the University of British Columbia, Santa Clara University, and the University of Maryland.

Primont's research has focused largely on economic theory, including duality and separability and, more recently, production theory. Of special interest among his published works are a book, *Duality, Separability, and Functional Structure: Theory and Economic Applications* (coauthored with C. Blackorby and R.R. Russell), and a forthcoming journal article "A Distance Function Approach to Multioutput Technologies" (coauthored with R. Färe).

Highlights of Staff Activities

Agriculture and Rural Economy Division

Mary Ahearn, Mir Ali, Charles Barnard, Robert Dismukes,

Kenneth Mathews, Mitchell Morehart, and Michael Salassi pretested individual sections of the 1989 Farm Costs and Returns Survey in several States • Ronald Babula and Gregory Wozniak (University of Tulsa) presented a paper, "Interregional Impacts of Declines in U.S. Manufacturing Activity," at a Southern Economic Association meeting in Orlando, Fla. • Babula and Robert Romain

(Université Laval) presented a seminar on "U.S./Canadian Broiler Price Transmissions: Dynamic Analysis," at the Université Laval, in Quebec, Canada • Margaret Butler was interviewed by the Wisconsin Farm Bureau for radio shows throughout the State • Kenneth Deavers was the keynote speaker at a Federal Reserve System conference on "Promoting Rural Economic

Development," in Atlanta, Ga.

- **Deavers** was also a presenter on "Rural Development" in a session on rural income strategies at a National Wildlife Federation and Resources for the Future seminar on "Food and Agricultural Policy Issues—Alternatives for the 1990's," in Washington, D.C.
- **Lowell Dyson** presented a paper, "New Frontiers for the Rural Electrification Administration: Kennedy-Johnson Years," at a northern Great Plains history conference in St. Cloud, Minn.
- **Kenneth Hanson** discussed the 1982 base-year Social Accounting Matrix database developed by ERS for computable general equilibrium modeling at an Interagency Computable General Equilibrium Modeling Workshop
- **Sara Mazie** gave the keynote address, "Rural America: Experience of the '80's, Challenge in the '90's," at a Southern Utah State University and Project 2000 conference in Cedar City, Utah
- **Norman Reid** gave the keynote address at a University of Maine conference on youth aspirations, in Orono, Maine, and participated in a live call-in panel discussion broadcast by Maine Public Television
- **Reid** was also interviewed by a California Farm Bureau radio program on the declining role of farming within the rural economy
- and **David Sears** presented a paper (coauthored with **Molly Killian** and **John Redman**), "Growth and Stability of Rural Counties, 1969-86," at a University of Arizona colloquium in Tucson, Ariz.

Agriculture and Trade Analysis Division

Richard Brown prepared crop-by-crop estimates of losses from Hurricane Hugo in the Virgin Islands and Puerto Rico for USDA's Office of the Secretary

- **Frederick Crook** spent several weeks in Shenyang, China, observing the tense situation there with respect to grain procurement
- **Christian Foster** was interviewed by National Public Radio on recent changes in Soviet agriculture and their impacts on trade prospects
- **Miles Lambert** was interviewed by Brownsfield

Radio Network for a feature on permanent most-favored-nation treatment for Hungary

- **Gene Mathia** and **Mark Smith** (CED) participated in a workshop, "World Food, Trade, Food Security, and Aid in the 1990's" sponsored by Iowa State University and the U.S. Agency for International Development, in Washington, D.C.
- **Alan Webb** visited Japan on an Office for International Cooperation and Development technical exchange to discuss the use of economic models in policy analysis with Japanese scholars and officials
- **Shwu-Eng Webb** and **Ronald Trostle** (CED) were members of a USDA wheat team that traveled to Beijing, China, to investigate wheat production, consumption, and trade policies
- **Webb** and **Trostle** traveled to Taiwan to study the impact of Taiwan/Mainland China trade on U.S. trade
- **Webb** also lectured on China's current agricultural situation and trade perspective at the University of Hawaii, in Manoa, Hawaii
- **Kelley White** and **Francis Tuan** participated in a symposium, "China's Agricultural Reform and Development," in Las Vegas, Nev.
- and **Kathryn Zeimetz** discussed Soviet agricultural reforms and the outlook for food imports at a National Council of Farmers' Cooperatives meeting, in Washington, D.C.

Commodity Economics Division

At a Canadian/American Free Trade conference cosponsored by ERS, the Food and Agricultural Policy Research Institute, and Agriculture Canada, in Chevy Chase, Md., **Patrick O'Brien** gave the welcome address and participated on a panel discussion;

- **Kate Buckley** presented a paper, "Examining U.S./Canadian Free Trade Agreement Issues for Fresh Fruits and Vegetables: U.S. Perspective";
- **Terry Crawford** presented a paper, "Livestock Overview of the U.S./Canada Free Trade Agreement";
- **Stan Daberkow** (RTD) presented a paper, "Canadian/U.S. Free Trade Act and Agricultural Inputs";
- **Carol Goodloe** (ATAD) presented a

paper, "Policy Issues and the Free Trade Agreement";

- **James Schaub** presented a paper, "U.S./Canada Free Trade Agreement and Oilseed Trade"; and
- **Shayle Shagam** presented a paper, "U.S. and Canadian Hog-Pork Sectors under the Free Trade Agreement"
- **Kevin Bost** discussed carcass cutting, boning, and trimming practices with pork packers, processors, and retailers at meetings in Madison, Wisc.; Austin and Albert Lea, Minn.; Sioux City, Denison, and Ottumwa, Iowa; Beardstown, Ill.; and St. Louis, Mo.
- **Kate Buckley** participated in a Citrus Industry Economic Outlook Conference sponsored by Tropicana & Sunkist Growers, in Tampa, Fla.
- **Lee Christensen**, **Agnes Perez**, **Mark Weimar**, and **Larry Witucki**, participated in a National Broiler Council Conference, in Washington, D.C.
- **Verner Grise** presented the tobacco outlook at a Burley and Dark Leaf Export Association meeting in Lexington, Ky., and at a Southern Regional Outlook Conference sponsored by the Southern land-grant universities, in Atlanta, Ga.
- **Charles Handy** cochaired a task force with Maury Bredahl (University of Missouri), "EC Unification: Impact on U.S. Food Processors" at an NC-194 committee meeting on World Food Systems, in Columbus, Ohio
- **Gene Hasha** and **Stephanie Mercier** participated in the Working Group on Cereals, Animal Feeds, and Sugar, Working Party on Agricultural Policies and Markets, Organization for Economic Cooperation and Development, in Paris, France
- **Frederic Hoff** and **Gary Lucier** staffed an ERS booth at a Produce Marketing Convention and Exposition, in Reno, Nev.
- **Lucier** also visited vegetable freezing operations in the San Joaquin Valley, Calif.
- **Roger Hoskin** participated in an American Soybean Association roundtable meeting in St. Louis, Mo.
- **Hsin-Hui Hsu** discussed the POLYSIM model with Oklahoma State University staff, in Stillwater, Okla.
- **Allen Johnson** participated in a Southern Regional Agricultural Outlook Conference, in Atlanta, Ga.

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HIGHLIGHTS, from p. 7

• **Scott Sanford** and **Leslie Meyer** toured cotton and textile production, processing, and marketing facilities in Memphis, Tenn.; Greenwood, Miss.; Raleigh, N.C.; San Antonio, Dallas, and Lubbock, Tex.; Phoenix, Ariz.; and Fresno, Bakersfield, and San Francisco, Calif., sponsored by Cotton Council International • **James Schaub** discussed the outlook for peanuts at a National Peanut Council Statistical Task Force meeting in Alexandria, Va. • **Larry Van Meir** discussed trends in concentrate use in the United States and trends in meat and poultry consumption at a French feed technologists meeting in Paris, France • and **Frederic White** discussed the uses of beef trimmings, meat yields of beef carcasses, industry situation and trends, and advances in technology with meat industry leaders at an American Meat Institute meeting, in Chicago, Ill.

*Resources and
Technology Division*

Andy Anderson and **Ralph Heimlich** represented ERS at a meeting of the Northeast Regional Research Project (NE-170), Rural Land Policy in the Northeast, in Durham, N.H. • a special symposium on "Wetlands: Concerns and Successes" at an American Water Resources Association meeting in Tampa, Fla., included a paper by **Heimlich**, "Swampbuster Provision of the 1985 Food

Security Act: A Priori Evaluation," and a paper by **Marlow Vesterby**, "Conversion of Wetlands to Urban Uses: Evidence from Fast-Growth Counties" • at one of a series of Japanese-initiated meetings with U.S. agencies that monitor foreign investment in the United States, **Peter DeBraal** presented information on reporting requirements of the Agricultural Foreign Investment Disclosure Act (AFIDA), AFIDA data collected to date, and State restrictions on foreign land ownership to Japanese bankers, in Washington, D.C. • at a W-178 meeting on Water Management and Conservation in Western Irrigated Agriculture, **Noel Gollehon**, **Michael Moore**, and **Glenn Schaible** made presentations on current ERS research on irrigation water conservation, in Wagoner, Okla. • **Roger Hexem** represented ERS at a NC-123 meeting on Agricultural Land Values, where discussion focused on possible farmland value impacts of changes in the agricultural credit industry, in St. Paul, Minn. • and **John Schaub**, **Fred Kuchler**, and **John McClelland** discussed the results of ERS research on economic issues raised by animal growth hormone technologies at a meeting of industry parties involved in developing porcine growth hormones, sponsored by the Animal Health Institute, in Washington, D.C.

Data Services Center

Agapi Somwaru presented a paper, "Probabilistic Analysis of Input/Output of the United States, 1972-82" (coauthored with **Chinkook Lee**, ARED) at a joint meeting of the Institute of Management Sciences and Operations Research Society of America, in New York, N.Y. • and **Charles Hallahan** presented a paper, "Review of PC Statistical Software," at a Washington Operations Research Management Science Council meeting at George Mason University, in Fairfax, Va.

Office of the Administrator

James Horsfield and **Edward Reinsel** participated in the Association of Public Data Users conference, in Washington, D.C. • **Reinsel** also participated in a National Academy of Sciences Committee meeting on national statistics, in Washington, D.C. • **John Lee** participated in the Organization for Economic Cooperation and Development Directors of Research meeting in Paris, France • **Lee** also discussed joint USDA/FAO projects with officials of the Food and Agriculture Organization of the United Nations, in Rome, Italy • **Bob Robinson** participated in a meeting of the Georgia Agricultural Congress, in Macon, Ga. • and **Robinson** also participated in the Committee for Agriculture Meeting of the Organization for Economic Cooperation and Development, in Paris, France.